investment under priority sector lending and encouraging banks to increasingly lend directly to the farmers/other priority sector borrowers, RBI has advised all scheduled commercial banks (including Regional rural Banks) on 15th December, 2004. The content of the guidelines are as under:—

(i) The extant guidelines in respect of classifying the investment by banks in the bonds issued by the specified institutions, viz. State Financial Corporations (SFCs), State Industrial Development Corporations (SIDCs) Rural Electrification Corporation (REC), NABARD, SIDBI, the National Small Industries Corporation Ltd. (NSIC), NHB and HUDCO, as under priority sector lending may continue up to March, 31, 2005;

(ii) The investment that may be made by the banks on or after April 1, 2005 in the bonds issued by the specified institutions (except NABARD), i.e. REC, SFCs/SIDCs, SIDBI, NSIC, NHB and HUDCO shall not be eligible for classification under priority sector lending;

(iii) The investments, which have already been made by banks upto March 31, 2005, in the special bonds issued by the above specified institutions (except NABARD), shall not be eligible for classification under priority sector lending with effect from April 1, 2006; and

(iv) The investment in the special bonds issued by NABARD shall not be eligible for classification under priority sector lending with effect from April 1, 2007.

Setting up of co-operative banks

84. PROF. M.M. AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to set up co-operative banks in the different States of the country;

(b) if so, the details thereof, location-wise and State-wise; and

(c) the effective measures initiated by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir.

(b) and (c) Do not arise in view of the (a) above.

Implementation of Centrally Sponsored Schemes for rural development in Panchayati Raj Institutions

†85. SHRI MOTILAL VORA: Will the Minister of PANCHAYATI RAJ be pleased to state:

(a) whether Government have received any suggestion for handing over the Centrally Sponsored Schemes meant for the rural development and the resources related to them to the Panchayati Raj Institutions directly;

(b) if so, by when the final decision is likely to be taken by Government in this regard; and

(c) whether Government would also consider providing the amount directly to Panchayats so that they can get money on time?

THE MINISTER OF PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR): (a) All Ministries operating Centrally Sponsored Schemes have been asked to review their schemes in the light of Article 243G read with the Eleventh Schedule with a view to incorporating into the Schemes the Constitutional provisions in this regard in letter and spirit.

(b) No time limits have been fixed for the completion of this exercise, which is an ongoing process.

(c) The National Common Minimum Programme provides for funds to be channeled to Panchayati Raj Institutions without diversion or delay, subject to strict monitoring.

Devolution of Powers to Panchayati Raj Institutions

86. SHRI VIJAY J. DARDA: Will the Minister of PANCHAYATI RAJ be pleased to state:

(a) when the Mahatma Gandhi's dream of Poorna Swaraj, as envisaged through the historic Panchayati Raj Legislation passed in the Parliament about twelve years ago, would result in devolution of powers to Panchayati Raj Institutions at grassroot level;

(b) whether the present persuasive methods being adopted during the last one decade through conferences/meetings with State Level Ministers/functionaries would help in achieving the purpose;

† Original notice of the question was received in Hindi.